## Congress of the United States

Mashington, DC 20515

July 25, 2003

President George W. Bush The White House 1600 Pennsylvania Avenue, NW Washington, D.C. 20500

Dear Mr. President:

We are writing about the explosion of copyright piracy in Russia and requesting your attention to this rapidly escalating problem.

Russia's poor record of copyright protection has been on our bilateral trade agenda for over a decade. The situation has deteriorated significantly over the past two years as additional new optical media plants have been built in Russia. Russian capacity to manufacture optical discs (CDs, DVDs, CD-ROMs) more than doubled in that time period, dwarfing legitimate demand. These plants are producing tens of millions of discs for export. Indeed, Russian manufactured pirated discs have been seized in 25 countries. The U.S. copyright industries have lost over a billion dollars per year there in each of the past 5 years.

We understand that the Russian Government recently sent promising signals that it now intends to address this matter. While this is welcome news, we are eager to see the immediate manifestation of these "intentions" in the form of raids on the plants and closure of pirate facilities. It is essential that the United States Government continue to press the Government of Russia to take effective action now.

The Office of the U.S. Trade Representative has accepted a petition filed by the U.S. copyright industries under the Generalized System of Preferences program and needs to schedule a hearing to review Russia's record for protecting intellectual property. It is our hope that such a hearing will help prompt Russia to take the necessary steps to resolve this matter. No country should be permitted to enjoy unilaterally granted trade preferences while remaining motionless in the face of, or actually deriving revenue from, the massive theft of U.S. intellectual property.

We request that you impress upon President Putin during the upcoming Summit the importance that the United States attaches to Russia's finally cracking down hard on copyright violators. We hope that Russia will soon qualify for accession to the World Trade Organization. Hence, it is critical that the Putin Administration and the Duma understand that failure to deal with copyright piracy would undermine Russia's candidacy.

Sincerely,

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